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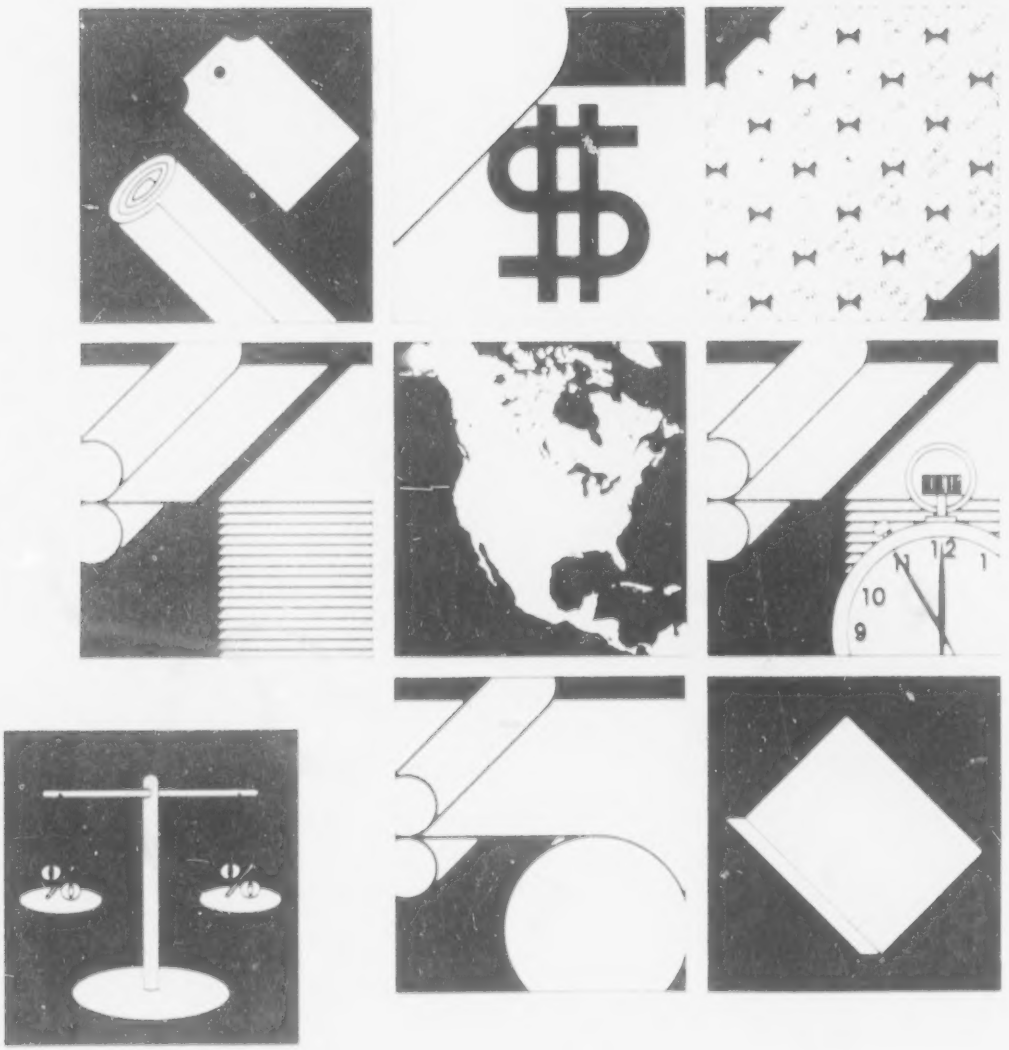
# 1987 Financial Ratio Study



Volume X

Large Printers

# Volume X: Large Printers

An Annual Financial Survey Conducted By:
Printing Industries of America, Inc.
PIA Member Programs Services
1730 North Lynn Street
Arlington, VA 22209

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# PRINTING INDUSTRIES OF AMERICA, INC.

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1987 is the 64th year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addreses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Offices
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 933 graphic arts firms of various types took part in the 1987 study. This particular volume is the result of financial information contributed by 145 Large Printers (annual sales volume of $10,000,000 or more) across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales from $10 to $20 million, sales from $20 to $40 million, etc.; and by product specialty - for example, Commercial and Advertising, Magazine and Periodical, etc. Readers can compare their firm's operations with other firms having the same sales volume, or product specialty in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among the members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. Margolis Company

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Printing Industries of America, Inc. recognizes that the industry's largest printing firms have some unique needs which are not generally being met in the industry. For this reason PIA has developed programs and services for the benefit of these companies. One of these services is this special ratio study undertaken exclusively for companies of this size. Another effort on the part of PIA to meet the needs of large firms is the Conference Board of Major Printers. Listed below is information regarding this PIA special section.

- CBMP is the only organization dedicated to the needs of the large printers.
- Membership is limited to Chief Executive Officers of selected printing companies.
- CBMP pursues specific projects of special interest to large printers, via special presentations at the biannual Meetings, and via montly *UP-DATE SURVEYS* and *REPORTS* on current topics of interest.
- CBMP represents the interests of the major printers within PIA, by assuring that appropriate PIA programs are offered to its members.
- CBMP provides basic leadership to the printing industry as a whole.
- CBMP studies the impact of government regulations and legislation on the large printing organizations.
- CBMP studies the impact on large printers of suppliers of equipment and materials.
- CBMP strives toward better understanding of customer needs through its own special studies.
- CBMP is comprised of over 40 member companies who produce every type of printed product.
- CBMP is dedicated to provide guidance in the area of quality control, materials management, and other management disciplines for the large printer.


Laura M. Yoder, Exec. Director
Conference-Board of Major Printers
(703) 841-4803

## VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

| | | |
|---|---|---|
| Sales | | $100.00 |
| Less: Materials | | |
| Paper | $ 23.00 | |
| Other chargeable materials | 5.00 | |
| Outside services | 8.00 | 36.00 |
| Value Added | | $ 64.00 |

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

## VALUE ADDED AND PROFITS

Since value added is sales less material costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of statement presentation, management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

| | COMPANY S SHEET-FED | | COMPANY W WEB-FED | |
|---|---|---|---|---|
| | | % OF SALES | | % OF SALES |
| SALES | $1,000,000 | 100.00% | $1,000,000 | 100.00% |
| MATERIALS | | | | |
| Paper | 197,300 | 19.73 | 387,900 | 38.79 |
| Other chargeable materials | 42,800 | 4.28 | 35,000 | 3.50 |
| Outside services | 87,900 | 8.79 | 30,000 | 3.00 |
| | 328,000 | 32.80 | 452,900 | 45.29 |
| | | % OF VALUE ADDED | | % OF VALUE ADDED |
| VALUE ADDED | 672,000 | 100.00% | 547,100 | 100.00% |
| FACTORY PAYROLL | 241,800 | 35.98 | 177,500 | 32.44 |
| FACTORY EXPENSES | 121,800 | 18.13 | 101,300 | 18.52 |
| | 363,600 | 54.11 | 278,800 | 50.96 |
| GROSS PROFIT | 308,400 | 45.89 | 268,300 | 49.04 |
| SELLING AND ADMINISTRATIVE EXPENSES | 187,500 | 27.90 | 141,700 | 25.90 |
| INCOME BEFORE INTEREST EXPENSE | 120,900 | 17.99 | 126,600 | 23.14 |
| Interest expense | 18,300 | 2.72 | 7,900 | 1.44 |
| OPERATING INCOME | 102,600 | 15.27 | 118,700 | 21.70 |
| Other income | 10,200 | 1.52 | 16,200 | 2.96 |
| INCOME BEFORE INCOME TAXES | $ 112,800 | 16.79% | $ 134,900 | 24.66% |

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 44.67 | 39.33 | 44.49 | 36.42 |
| FACTORY EXPENSES | 21.19 | 18.96 | 20.03 | 17.14 |
| TOTAL FACTORY COST OF PRODUCT | 65.86 | 58.29 | 64.52 | 53.56 |
| GROSS PROFIT | 34.14 | 41.71 | 35.48 | 46.44 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 10.90 | 10.75 | 11.65 | 13.07 |
| Selling expenses | 13.15 | 11.83 | 14.68 | 14.80 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 24.05 | 22.58 | 26.33 | 27.87 |
| INCOME BEFORE INTEREST EXPENSE | 10.09 | 19.13 | 9.15 | 18.57 |
| Interest expense | 3.28 | 2.01 | 3.59 | 3.18 |
| OPERATING INCOME | 6.81 | 17.12 | 5.56 | 15.39 |
| Other income | 1.03 | 1.41 | 0.83 | 1.21 |
| INCOME BEFORE INCOME TAXES | 7.84 | 18.53 | 6.39 | 16.60 |

* See page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** | SALES OVER $160 MILLION** |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| X | X | X | X | X | X |
| X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 45.25 | 41.07 | 44.61 | 41.55 | 44.95 | 38.90 |
| 21.96 | 19.62 | 23.30 | 23.08 | 21.26 | 26.73 |
| 67.21 | 60.69 | 67.91 | 64.63 | 66.21 | 65.63 |
| 32.79 | 39.31 | 32.09 | 35.37 | 33.79 | 34.37 |
| 10.28 | 9.42 | 9.77 | 8.26 | 7.30 | 10.65 |
| 11.78 | 10.35 | 11.69 | 7.64 | 9.56 | 8.68 |
| 22.06 | 19.77 | 21.46 | 15.90 | 16.86 | 19.33 |
| 10.73 | 19.54 | 10.63 | 19.47 | 16.93 | 15.04 |
| 2.72 | 1.03 | 2.99 | 1.64 | 4.25 | 6.08 |
| 8.01 | 18.51 | 7.64 | 17.83 | 12.68 | 8.96 |
| 1.01 | 1.76 | 2.28 | 1.12 | 0.03 | 1.14 |
| 9.02 | 20.27 | 9.92 | 18.95 | 12.71 | 10.10 |

SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 3.02% | 3.03% | 3.00% | 2.92% |
| Direct wages | 28.04 | 23.55 | 29.00 | 23.42 |
| General factory salaries and wages | 4.64 | 4.65 | 3.98 | 3.45 |
| Packing, shipping and delivery wages | 1.56 | 1.27 | 1.63 | 1.20 |
| Payroll taxes | 2.72 | 2.29 | 2.72 | 1.88 |
| Employee benefits | 4.69 | 4.54 | 4.16 | 3.55 |
| TOTAL FACTORY PAYROLL | 44.67 | 39.33 | 44.49 | 36.42 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.48 | 0.45 | 0.48 | 0.41 |
| Depreciation - other | 5.42 | 4.96 | 5.04 | 4.21 |
| Taxes - real estate | 0.39 | 0.31 | 0.37 | 0.28 |
| Taxes - other | 0.31 | 0.29 | 0.38 | 0.41 |
| Insurance | 0.53 | 0.42 | 0.60 | 0.47 |
| Building rent | 1.24 | 0.95 | 1.59 | 1.62 |
| Utilities - heat, light, etc. | 2.35 | 2.06 | 2.12 | 1.65 |
| Equipment rental | 0.83 | 0.42 | 0.65 | 0.35 |
| Total Fixed Expenses | 11.55 | 9.86 | 11.23 | 9.40 |
| Other Expenses | | | | |
| Factory supplies and expense | 3.95 | 3.72 | 3.53 | 3.02 |
| Packing, shipping and delivery expense | 1.68 | 1.56 | 1.72 | 1.47 |
| Repairs and maintenance | 2.58 | 1.87 | 2.38 | 1.63 |
| Other factory expenses | 1.43 | 1.95 | 1.17 | 1.62 |
| Total Other Expenses | 9.64 | 9.10 | 8.80 | 7.74 |
| TOTAL FACTORY EXPENSES | 21.19 | 18.96 | 20.03 | 17.14 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 2.42 | 2.79 | 2.90 | 4.08 |
| Salaries - office | 2.62 | 2.46 | 2.62 | 2.77 |
| Payroll taxes | 0.32 | 0.31 | 0.34 | 0.35 |
| Employee benefits | 0.75 | 0.92 | 0.68 | 0.81 |
| Bad debts | 0.64 | 0.56 | 0.68 | 0.81 |
| Office supplies and expenses | 0.51 | 0.39 | 0.58 | 0.55 |
| Professional fees | 0.78 | 0.73 | 0.89 | 1.01 |
| Taxes - business | 0.15 | 0.17 | 0.18 | 0.21 |
| Telephone | 0.51 | 0.41 | 0.60 | 0.54 |
| Other administrative expenses | 2.20 | 2.01 | 2.18 | 1.94 |
| TOTAL ADMINISTRATIVE EXPENSES | 10.90 | 10.75 | 11.65 | 13.07 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.32 | 1.23 | 1.74 | 1.98 |
| Salaries and commissions - salesmen | 6.35 | 5.40 | 7.26 | 6.87 |
| Salaries - sales office clerical | 1.49 | 1.43 | 1.61 | 1.71 |
| Payroll taxes | 0.46 | 0.40 | 0.53 | 0.59 |
| Employee benefits | 0.58 | 0.50 | 0.58 | 0.55 |
| Advertising | 0.49 | 0.36 | 0.54 | 0.48 |
| Travel and entertainment | 1.08 | 0.93 | 1.22 | 1.32 |
| Other selling expenses | 1.38 | 1.58 | 1.20 | 1.30 |
| TOTAL SELLING EXPENSES | 13.15 | 11.83 | 14.68 | 14.80 |

** Sample insufficient for Profit Leaders.

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** | SALES OVER $160 MILLION** |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 3.20% | 3.30% | 3.21% | 3.44% | 1.22% | 0.63% |
| 27.49 | 24.24 | 25.41 | 20.18 | 30.06 | 24.35 |
| 5.24 | 4.79 | 5.58 | 6.20 | 4.80 | 6.08 |
| 1.41 | 1.16 | 1.86 | 2.81 | 1.15 | 1.24 |
| 2.73 | 2.49 | 2.63 | 2.74 | 3.49 | 2.74 |
| 5.18 | 5.09 | 5.92 | 6.18 | 4.23 | 3.86 |
| 45.25 | 41.07 | 44.61 | 41.55 | 44.95 | 38.90 |
| 0.46 | 0.48 | 0.45 | 0.44 | 0.88 | 0.63 |
| 5.58 | 5.21 | 6.52 | 6.98 | 7.58 | 5.76 |
| 0.38 | 0.31 | 0.51 | 0.46 | 0.71 | 0.28 |
| 0.27 | 0.24 | 0.17 | 0.01 | 0.10 | 0.31 |
| 0.46 | 0.39 | 0.40 | 0.47 | 0.22 | 0.66 |
| 1.01 | 0.47 | 0.54 | 0.58 | 0.04 | 0.63 |
| 2.43 | 2.15 | 2.90 | 3.00 | 3.65 | 3.37 |
| 1.04 | 0.49 | 0.76 | 0.52 | 0.06 | 2.14 |
| 11.63 | 9.74 | 12.25 | 12.46 | 13.24 | 13.78 |
| 4.18 | 4.15 | 5.10 | 5.34 | 3.65 | 5.24 |
| 1.67 | 1.56 | 1.53 | 1.34 | 1.32 | 1.84 |
| 2.64 | 1.97 | 3.06 | 2.01 | 2.92 | 3.83 |
| 1.84 | 2.20 | 1.36 | 1.93 | 0.13 | 2.04 |
| 10.33 | 9.88 | 11.05 | 10.62 | 8.02 | 12.95 |
| 21.96 | 19.62 | 23.30 | 23.08 | 21.26 | 26.73 |
| 1.92 | 1.92 | 2.12 | 1.48 | 0.97 | 1.67 |
| 2.79 | 2.33 | 1.79 | 1.68 | 2.35 | 3.94 |
| 0.30 | 0.28 | 0.24 | 0.27 | 0.25 | 0.51 |
| 0.87 | 1.20 | 0.61 | 0.43 | 0.93 | 0.62 |
| 0.58 | 0.38 | 0.73 | 0.48 | 0.14 | 0.79 |
| 0.48 | 0.25 | 0.36 | 0.43 | 0.44 | 0.29 |
| 0.68 | 0.58 | 0.64 | 0.39 | 0.44 | 0.41 |
| 0.12 | 0.12 | 0.09 | 0.31 | 0.00 | 0.02 |
| 0.42 | 0.33 | 0.33 | 0.15 | 0.24 | 0.76 |
| 2.12 | 2.03 | 2.86 | 2.64 | 1.54 | 1.64 |
| 10.28 | 9.42 | 9.77 | 8.26 | 7.30 | 10.65 |
| 0.76 | 0.71 | 1.42 | 0.62 | 0.44 | 0.72 |
| 5.56 | 4.26 | 4.95 | 5.67 | 5.05 | 4.86 |
| 1.45 | 1.46 | 1.32 | 0.23 | 0.96 | 0.30 |
| 0.40 | 0.29 | 0.42 | 0.11 | 0.24 | 0.27 |
| 0.57 | 0.48 | 0.73 | 0.47 | 0.26 | 0.34 |
| 0.45 | 0.29 | 0.40 | 0.19 | 0.41 | 0.44 |
| 0.95 | 0.71 | 0.90 | 0.28 | 0.75 | 1.13 |
| 1.64 | 2.15 | 1.55 | 0.07 | 1.45 | 0.62 |
| 11.78 | 10.35 | 11.69 | 7.64 | 9.56 | 8.68 |

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIALS | | | | |
| Paper | 28.67 | 24.13 | 28.27 | 24.66 |
| Other chargeable materials | 6.07 | 5.77 | 5.27 | 4.25 |
| Outside services | 7.48 | 6.91 | 7.85 | 7.46 |
| TOTAL MATERIALS | 42.22 | 36.81 | 41.39 | 36.37 |
| FACTORY PAYROLL | 25.70 | 24.91 | 26.08 | 23.31 |
| FACTORY EXPENSES | 12.07 | 11.91 | 11.61 | 10.89 |
| TOTAL FACTORY COST OF PRODUCT | 79.99 | 73.63 | 79.08 | 70.57 |
| GROSS PROFIT | 20.01 | 26.37 | 20.92 | 29.43 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 6.32 | 6.72 | 6.76 | 8.13 |
| Selling expenses | 7.76 | 7.66 | 8.67 | 9.59 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 14.08 | 14.38 | 15.43 | 17.72 |
| INCOME BEFORE INTEREST EXPENSE | 5.93 | 11.99 | 5.49 | 11.71 |
| Interest expense | 1.84 | 1.27 | 2.06 | 1.99 |
| OPERATING INCOME | 4.09 | 10.72 | 3.43 | 9.72 |
| Other income | 0.58 | 0.85 | 0.49 | 0.73 |
| INCOME BEFORE INCOME TAXES | 4.67 | 11.57 | 3.92 | 10.45 |

SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 2.79% | 2.13% | 2.27% | 1.52% |
| Film | 0.96 | 1.11 | 1.06 | 1.02 |
| Plates | 0.95 | 0.99 | 1.02 | 0.91 |
| Other chargeable materials | 1.37 | 1.54 | 0.92 | 0.80 |
| TOTAL OTHER CHARGEABLE MATERIALS | 6.07 | 5.77 | 5.27 | 4.25 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.43 | 0.86 | 0.62 | 1.78 |
| Offset preparation | 1.05 | 0.81 | 1.36 | 1.10 |
| Printing | 1.61 | 0.81 | 1.20 | 0.83 |
| Binding | 2.35 | 2.10 | 2.77 | 1.83 |
| Other outside services | 2.04 | 2.33 | 1.90 | 1.92 |
| TOTAL OUTSIDE SERVICES | 7.48 | 6.91 | 7.85 | 7.46 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** | SALES OVER $160 MILLION** |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 26.99 | 22.27 | 36.43 | 29.98 | 34.40 | 27.49 |
| 7.03 | 7.05 | 6.43 | 5.93 | 7.12 | 6.78 |
| 7.89 | 7.41 | 5.40 | 4.46 | 4.84 | 2.70 |
| 41.91 | 36.73 | 48.26 | 40.37 | 46.36 | 36.97 |
| 26.01 | 25.99 | 23.08 | 24.74 | 24.22 | 24.52 |
| 12.46 | 12.29 | 12.17 | 13.83 | 11.04 | 16.82 |
| 80.38 | 75.01 | 83.51 | 78.94 | 81.62 | 78.31 |
| 19.62 | 24.99 | 16.49 | 21.06 | 18.38 | 21.69 |
| 6.10 | 5.97 | 5.08 | 4.91 | 3.78 | 6.72 |
| 7.29 | 6.80 | 5.62 | 4.48 | 4.86 | 5.49 |
| 13.39 | 12.77 | 10.70 | 9.39 | 8.64 | 12.21 |
| 6.23 | 12.22 | 5.79 | 11.67 | 9.74 | 9.48 |
| 1.47 | 0.67 | 1.57 | 0.98 | 1.74 | 3.83 |
| 4.76 | 11.55 | 4.22 | 10.69 | 8.00 | 5.65 |
| 0.57 | 1.06 | 1.09 | 0.67 | 0.06 | 0.72 |
| 5.33 | 12.61 | 5.31 | 11.36 | 8.06 | 6.37 |
| 3.08% | 2.15% | 3.62% | 3.60% | 5.89% | 3.99% |
| 0.99 | 1.28 | 0.47 | 0.99 | 0.40 | 0.57 |
| 0.96 | 1.10 | 0.64 | 0.95 | 0.56 | 0.71 |
| 2.00 | 2.52 | 1.70 | 0.39 | 0.27 | 1.51 |
| 7.03 | 7.05 | 6.43 | 5.93 | 7.12 | 6.78 |
| 0.19 | 0.32 | 0.21 | 0.02 | 0.50 | 0.87 |
| 0.71 | 0.65 | 0.83 | 0.54 | 0.00 | 0.43 |
| 2.40 | 1.01 | 1.29 | 0.19 | 0.33 | 0.30 |
| 2.04 | 2.33 | 1.72 | 2.37 | 1.02 | 0.84 |
| 2.55 | 3.10 | 1.35 | 1.34 | 2.99 | 0.26 |
| 7.89 | 7.41 | 5.40 | 4.46 | 4.84 | 2.70 |

SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 1.75% | 1.93% | 1.77% | 1.92% |
| Direct wages | 16.11 | 14.98 | 16.98 | 14.96 |
| General factory salaries and wages | 2.68 | 2.88 | 2.33 | 2.14 |
| Packing, shipping and delivery wages | 0.87 | 0.78 | 0.92 | 0.75 |
| Payroll taxes | 1.59 | 1.47 | 1.61 | 1.22 |
| Employee benefits | 2.70 | 2.87 | 2.47 | 2.32 |
| TOTAL FACTORY PAYROLL | 25.70 | 24.91 | 26.08 | 23.31 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.28 | 0.29 | 0.28 | 0.26 |
| Depreciation - other | 3.06 | 3.06 | 2.92 | 2.64 |
| Taxes - real estate | 0.22 | 0.20 | 0.21 | 0.18 |
| Taxes - other | 0.18 | 0.18 | 0.22 | 0.24 |
| Insurance | 0.30 | 0.26 | 0.34 | 0.29 |
| Building rent | 0.71 | 0.59 | 0.91 | 0.99 |
| Utilities - heat, light, etc. | 1.33 | 1.26 | 1.22 | 1.04 |
| Equipment rental | 0.47 | 0.27 | 0.39 | 0.22 |
| Total Fixed Expenses | 6.55 | 6.11 | 6.49 | 5.86 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.31 | 2.38 | 2.09 | 2.00 |
| Packing, shipping and delivery expense | 0.91 | 0.97 | 0.96 | 0.92 |
| Repairs and maintenance | 1.45 | 1.16 | 1.38 | 1.04 |
| Other factory expenses | 0.85 | 1.29 | 0.69 | 1.07 |
| Total Other Expenses | 5.52 | 5.80 | 5.12 | 5.03 |
| TOTAL FACTORY EXPENSES | 12.07 | 11.91 | 11.61 | 10.89 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 1.39 | 1.74 | 1.68 | 2.51 |
| Salaries - office | 1.53 | 1.54 | 1.53 | 1.76 |
| Payroll taxes | 0.19 | 0.19 | 0.20 | 0.22 |
| Employee benefits | 0.44 | 0.57 | 0.40 | 0.49 |
| Bad debts | 0.37 | 0.34 | 0.39 | 0.49 |
| Office supplies and expenses | 0.30 | 0.25 | 0.34 | 0.36 |
| Professional fees | 0.45 | 0.47 | 0.51 | 0.65 |
| Taxes - business | 0.09 | 0.10 | 0.10 | 0.12 |
| Telephone | 0.30 | 0.26 | 0.36 | 0.36 |
| Other administrative expenses | 1.26 | 1.26 | 1.25 | 1.17 |
| TOTAL ADMINISTRATIVE EXPENSES | 6.32 | 6.72 | 6.76 | 8.13 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 0.76 | 0.78 | 1.02 | 1.28 |
| Salaries and commissions - salesmen | 3.75 | 3.37 | 4.28 | 4.26 |
| Salaries - sales office clerical | 0.89 | 0.97 | 0.97 | 1.21 |
| Payroll taxes | 0.28 | 0.26 | 0.32 | 0.39 |
| Employee benefits | 0.35 | 0.34 | 0.35 | 0.39 |
| Advertising | 0.29 | 0.25 | 0.32 | 0.33 |
| Travel and entertainment | 0.63 | 0.63 | 0.72 | 0.90 |
| Other selling expenses | 0.81 | 1.06 | 0.69 | 0.83 |
| TOTAL SELLING EXPENSES | 7.76 | 7.66 | 8.67 | 9.59 |

** Sample insufficient for Profit Leaders.

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** | SALES OVER $160 MILLION** |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 1.84% | 2.06% | 1.73% | 2.07% | 0.75% | 0.40% |
| 15.76 | 15.48 | 13.03 | 11.89 | 16.16 | 15.36 |
| 3.04 | 2.95 | 2.95 | 3.79 | 2.64 | 3.82 |
| 0.80 | 0.73 | 0.96 | 1.64 | 0.52 | 0.78 |
| 1.59 | 1.59 | 1.37 | 1.63 | 1.88 | 1.73 |
| 2.98 | 3.18 | 3.04 | 3.72 | 2.27 | 2.43 |
| 26.01 | 25.99 | 23.08 | 24.74 | 24.22 | 24.52 |
| 0.27 | 0.32 | 0.23 | 0.26 | 0.43 | 0.40 |
| 3.12 | 3.20 | 3.44 | 4.16 | 3.84 | 3.62 |
| 0.21 | 0.19 | 0.25 | 0.27 | 0.34 | 0.18 |
| 0.16 | 0.15 | 0.10 | 0.01 | 0.07 | 0.19 |
| 0.27 | 0.25 | 0.21 | 0.28 | 0.11 | 0.42 |
| 0.58 | 0.30 | 0.27 | 0.34 | 0.01 | 0.40 |
| 1.36 | 1.28 | 1.54 | 1.78 | 1.90 | 2.12 |
| 0.59 | 0.34 | 0.34 | 0.32 | 0.03 | 1.34 |
| 6.56 | 6.03 | 6.38 | 7.42 | 6.73 | 8.67 |
| 2.45 | 2.62 | 2.73 | 3.27 | 1.92 | 3.30 |
| 0.87 | 0.96 | 0.75 | 0.80 | 0.70 | 1.16 |
| 1.47 | 1.19 | 1.54 | 1.19 | 1.52 | 2.41 |
| 1.11 | 1.49 | 0.77 | 1.15 | 0.17 | 1.28 |
| 5.90 | 6.26 | 5.79 | 6.41 | 4.31 | 8.15 |
| 12.46 | 12.29 | 12.17 | 13.83 | 11.04 | 16.82 |
| 1.14 | 1.19 | 1.09 | 0.88 | 0.57 | 1.06 |
| 1.65 | 1.44 | 0.95 | 1.00 | 1.22 | 2.49 |
| 0.18 | 0.17 | 0.13 | 0.16 | 0.13 | 0.32 |
| 0.54 | 0.76 | 0.32 | 0.26 | 0.43 | 0.39 |
| 0.34 | 0.24 | 0.38 | 0.30 | 0.07 | 0.[illegible] |
| 0.28 | 0.16 | 0.19 | 0.26 | 0.20 | 0.18 |
| 0.40 | 0.38 | 0.33 | 0.23 | 0.22 | 0.26 |
| 0.08 | 0.08 | 0.05 | 0.19 | 0.00 | 0.01 |
| 0.24 | 0.21 | 0.17 | 0.09 | 0.11 | 0.48 |
| 1.25 | 1.34 | 1.47 | 1.54 | 0.83 | 1.03 |
| 6.10 | 5.97 | 5.08 | 4.91 | [illegible].78 | 6.72 |
| 0.45 | 0.45 | 0.70 | 0.38 | 0.20 | 0.46 |
| 3.48 | 2.72 | 2.37 | 3.30 | 2.33 | 3.08 |
| 0.87 | 0.95 | 0.67 | 0.14 | 0.54 | 0.19 |
| 0.25 | 0.19 | 0.19 | 0.07 | 0.13 | 0.17 |
| 0.35 | 0.32 | 0.36 | 0.27 | 0.15 | 0.21 |
| 0.28 | 0.21 | 0.20 | 0.11 | 0.21 | 0.28 |
| 0.56 | 0.47 | 0.44 | 0.17 | 0.38 | 0.71 |
| 1.05 | 1.49 | 0.69 | 0.04 | 0.92 | 0.39 |
| 7.29 | 6.80 | 5.62 | 4.48 | 4.86 | 5.49 |

BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 4.11% | 6.89% | 4.21% | 5.83% |
| Receivables | 30.30 | 27.78 | 32.01 | 30.64 |
| Inventories | 14.19 | 12.83 | 14.16 | 14.88 |
| Other current assets | 3.67 | 4.95 | 2.52 | 3.56 |
| TOTAL CURRENT ASSETS | 52.27 | 52.45 | 52.90 | 54.91 |
| FIXED ASSETS | | | | |
| Real estate | 11.98 | 12.48 | 11.03 | 11.20 |
| Less: Accumulated depreciation | 3.39 | 2.96 | 3.04 | 2.24 |
| | 8.59 | 9.52 | 7.99 | 8.96 |
| Machinery and equipment | 61.87 | 56.28 | 62.23 | 50.31 |
| Less: Accumulated depreciation | 28.99 | 25.37 | 29.72 | 20.93 |
| | 32.88 | 30.91 | 32.51 | 29.38 |
| Other fixed assets | 5.03 | 3.85 | 5.77 | 5.33 |
| Less: Accumulated depreciation | 2.55 | 1.92 | 3.03 | 2.91 |
| | 2.48 | 1.93 | 2.74 | 2.42 |
| NET FIXED ASSETS | 43.95 | 42.36 | 43.24 | 40.76 |
| OTHER ASSETS | 3.78 | 5.19 | 3.86 | 4.33 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 8.98 | 4.36 | 11.01 | 5.70 |
| Accounts payable | 13.81 | 9.72 | 14.54 | 8.61 |
| Other current liabilities | 9.91 | 9.73 | 10.11 | 11.33 |
| TOTAL CURRENT LIABILITIES | 32.70 | 23.81 | 35.66 | 25.64 |
| LONG-TERM LIABILITIES | 28.90 | 22.64 | 32.29 | 29.70 |
| TOTAL LIABILITIES | 61.60 | 46.45 | 67.95 | 55.34 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 38.40 | 53.55 | 32.05 | 44.66 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.60 | 2.20 | 1.83 | 2.14 |
| QUICK RATIO | 1.16 | 1.66 | 1.39 | 1.56 |
| TOTAL LIABILITIES TO EQUITY | 1.60 | 0.87 | 2.12 | 1.24 |
| LONG-TERM LIABILITIES TO EQUITY | 0.75 | 0.42 | 1.01 | 0.67 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.47 | 0.45 | 0.48 | 0.42 |

** Sample insufficient for Profit Leaders.

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** | SALES OVER $160 MILLION** |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 4.51% | 9.09% | 2.14% | 5.46% | 0.43% | 6.42% |
| 29.41 | 26.83 | 27.78 | 22.75 | 19.77 | 22.31 |
| 14.09 | 11.12 | 15.52 | 12.18 | 15.66 | 9.29 |
| 5.09 | 6.34 | 4.92 | 5.23 | 5.35 | 0.63 |
| 53.10 | 53.38 | 50.36 | 45.62 | 41.21 | 38.65 |
| 12.92 | 13.54 | 12.24 | 9.54 | 16.47 | 15.02 |
| 3.91 | 3.62 | 3.64 | 2.20 | 2.34 | 2.41 |
| 9.01 | 9.92 | 8.60 | 7.34 | 14.13 | 12.61 |
| 59.57 | 56.42 | 68.62 | 70.24 | 60.06 | 62.39 |
| 27.52 | 25.54 | 33.30 | 37.05 | 20.61 | 22.22 |
| 32.05 | 30.88 | 35.32 | 33.19 | 39.45 | 40.17 |
| 4.80 | 2.90 | 2.64 | 2.57 | 4.20 | 2.65 |
| 2.29 | 1.25 | 1.54 | 1.12 | 0.90 | 0.96 |
| 2.51 | 1.65 | 1.10 | 1.45 | 3.30 | 1.69 |
| 43.57 | 42.45 | 45.02 | 41.98 | 56.88 | 54.47 |
| 3.33 | 4.17 | 4.62 | 12.40 | 1.91 | 6.88 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 6.32 | 3.64 | 10.26 | 3.23 | 1.76 | 3.91 |
| 13.76 | 11.76 | 11.52 | 7.22 | 12.42 | 7.74 |
| 10.93 | 8.97 | 6.21 | 7.38 | 2.76 | 9.37 |
| 31.01 | 24.37 | 27.99 | 17.83 | 16.94 | 21.02 |
| 22.82 | 17.79 | 27.05 | 11.75 | 42.56 | 50.40 |
| 53.83 | 42.16 | 55.04 | 29.58 | 59.50 | 71.42 |
| 46.17 | 57.84 | 44.96 | 70.42 | 40.50 | 28.58 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 1.71 | 2.19 | 1.80 | 2.56 | 2.43 | 1.84 |
| 1.26 | 1.73 | 1.24 | 1.88 | 1.51 | 1.40 |
| 1.17 | 0.73 | 1.22 | 0.42 | 1.47 | 2.50 |
| 0.49 | 0.31 | 0.60 | 0.17 | 1.05 | 1.76 |
| 0.46 | 0.45 | 0.49 | 0.53 | 0.34 | 0.36 |

SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 57,961 | $ 60,297 | $ 52,397 | $ 54,644 |
| Average assets per factory employee (Excluding Executives) | 78,638 | 91,596 | 75,845 | 106,154 |
| Average net worth per employee - All employees | 22,403 | 32,817 | 17,122 | 22,922 |
| Average gross plant investment per factory employee (Excluding Executives) | 58,470 | 58,153 | 54,611 | 54,767 |
| Net worth percentage of fixed assets | 103.49% | 147.20% | 84.49% | 123.84% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 81.15% | 80.88% | 79.75% | 75.79% |
| Percent administrative - All employees | 8.45 | 8.66 | 8.60 | 9.71 |
| Percent sales - All employees | 10.40 | 10.46 | 11.65 | 14.50 |
| SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 100,581 | $ 97,106 | $ 95,764 | $ 90,838 |
| Sales per factory employee | 132,920 | 152,842 | 136,005 | 193,884 |
| Sales less material per factory employee | 74,250 | 90,968 | 77,447 | 112,814 |
| Sales per administrative employee | 1,392,561 | 1,356,635 | 1,270,166 | 1,180,984 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 107,457 | 103,969 | 102,690 | 98,345 |
| Sales per factory employee | 139,324 | 159,059 | 142,112 | 199,959 |
| Sales less material per factory employee | 77,887 | 94,935 | 81,075 | 116,913 |
| SALES PER SALESMAN | 1,740,626 | 1,955,566 | 1,287,962 | 1,327,059 |
| SALES TO CURRENT ASSETS | 376% | 341% | 384% | 330% |
| PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 35.29% | 34.67% | 36.82% | 35.82% |
| Factory payroll percentage of gross plant investment | 65.04 | 57.68 | 70.93 | 57.91 |
| Payroll per employee - All employees | $ 33,969 | $ 32,442 | $ 34,347 | $ 31,709 |
| Payroll per factory employee | 30,340 | 28,388 | 29,960 | 26,147 |
| Payroll per administrative employee | 41,634 | 47,553 | 42,686 | 51,056 |
| Payroll per sales employee | 58,871 | 56,328 | 60,609 | 53,701 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 26,480 | $ 24,601 | $ 26,869 | $ 23,922 |
| Payroll per factory employee | 24,421 | 22,544 | 24,445 | 21,491 |
| Payroll per administrative employee | 20,602 | 20,585 | 20,503 | 20,566 |
| Payroll per sales employee | 48,854 | 45,798 | 50,014 | 43,312 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 69,954 | 74,480 | 73,094 | 81,953 |
| Payroll per factory executive | 49,895 | 49,228 | 47,863 | 42,727 |
| Payroll per administrative executive | 93,877 | 104,242 | 91,222 | 111,861 |
| Payroll per sales executive | 81,661 | 79,084 | 85,646 | 81,395 |
| RECEIVABLES | | | | |
| Collection period | 62.2 | 63.3 | 62.1 | 67.1 |
| PROFIT | | | | |
| Gross profit percentage of sales | 20.01% | 26.37% | 20.92% | 29.43% |
| Average gross profit per factory employee | $ 30,467 | $ 50,181 | $ 35,054 | $ 75,991 |
| Income before taxes percentage of sales | 4.67% | 11.57% | 3.92% | 10.45% |
| Average income before taxes per employee | $ 4,782 | $ 11,225 | $ 3,869 | $ 9,537 |

** Sample insufficient for Profit Leaders.

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** | SALES OVER $160 MILLION** |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| $ 61,312 | $ 62,665 | $ 63,937 | $ 73,467 | $ 98,943 | $ 81,915 |
| 78,477 | 78,205 | 83,741 | 97,267 | 115,474 | 101,970 |
| 28,124 | 37,495 | 28,723 | 54,085 | 25,462 | 21,993 |
| 59,261 | 55,274 | 67,489 | 79,134 | 82,910 | 81,563 |
| 129.79% | 169.77% | 120.81% | 173.24% | 68.84% | 58.35% |
| 82.52% | 84.15% | 82.49% | 84.14% | 87.77% | 81.02% |
| 8.36 | 8.09 | 6.98 | 7.71 | 7.92 | 13.87 |
| 9.12 | 7.76 | 10.53 | 8.15 | 4.31 | 5.11 |
| $ 101,605 | $ 98,662 | $ 116,695 | $ 120,957 | $ 147,124 | $ 95,421 |
| 123,967 | 118,030 | 147,772 | 151,630 | 169,732 | 118,158 |
| 69,448 | 72,289 | 74,143 | 89,433 | 81,143 | 74,497 |
| 1,459,190 | 1,390,243 | 1,837,234 | 1,985,791 | 1,771,637 | 928,881 |
| 108,509 | 105,156 | 124,794 | 128,818 | 150,293 | 97,332 |
| 130,922 | 124,326 | 155,465 | 160,780 | 171,782 | 119,244 |
| 73,288 | 76,163 | 78,059 | 94,856 | 82,387 | 75,183 |
| 2,070,837 | 2,333,207 | 2,353,950 | 1,777,829 | 3,909,336 | 3,657,929 |
| 361% | 328% | 403% | 416% | 355% | 345% |
| 34.92% | 34.20% | 29.86% | 31.19% | 29.92% | 32.89% |
| 62.45 | 61.04 | 51.68 | 49.43 | 44.07 | 40.93 |
| $ 33,237 | $ 32,014 | $ 34,370 | $ 37,550 | $ 40,293 | $ 31,257 |
| 30,394 | 28,776 | 31,554 | 35,827 | 36,308 | 29,119 |
| 40,543 | 45,375 | 41,900 | 42,988 | 40,107 | 34,389 |
| 53,514 | 52,762 | 57,597 | 78,240 | 113,583 | 78,324 |
| $ 25,923 | $ 24,202 | $ 25,954 | $ 28,957 | $ 32,643 | $ 24,873 |
| 24,145 | 22,318 | 24,669 | 27,500 | 29,656 | 23,940 |
| 20,698 | 19,903 | 20,167 | 19,833 | 23,382 | 21,549 |
| 45,475 | 44,398 | 42,611 | 55,071 | 108,443 | 68,231 |
| 65,176 | 70,785 | 62,345 | 59,740 | 86,952 | 99,515 |
| 50,915 | 56,739 | 47,140 | 47,938 | 82,212 | 73,681 |
| 96,161 | 95,952 | 93,745 | 111,860 | 105,567 | 112,587 |
| 71,431 | 68,831 | 100,796 | 127,623 | 76,558 | 74,797 |
| 63.6 | 63.0 | 57.3 | 52.2 | 50.3 | 69.9 |
| 19.62% | 24.99% | 16.49% | 21.06% | 18.38% | 21.69% |
| $ 25,120 | $ 30,744 | $ 27,435 | $ 35,921 | $ 27,479 | $ 26,138 |
| 5.33% | 12.61% | 5.31% | 11.36% | 8.06% | 6.37% |
| $ 5,578 | $ 12,428 | $ 5,933 | $ 13,212 | $ 7,528 | $ 6,286 |

RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 2.53 | $ 4.44 | $ 2.47 | $ 3.21 |
| Receivables | 16.45 | 16.76 | 16.48 | 17.89 |
| Inventories | 7.84 | 8.01 | 7.56 | 9.20 |
| Marketable securities | 0.94 | 1.50 | 0.39 | 0.19 |
| Other current assets | 1.45 | 2.15 | 1.04 | 2.35 |
| | 29.21 | 32.86 | 27.94 | 32.84 |
| Plant Investment: | | | | |
| Land and building | 7.31 | 7.72 | 6.84 | 7.19 |
| Machinery and equipment | 35.31 | 34.96 | 33.50 | 31.17 |
| Other fixed assets | 2.63 | 2.15 | 2.88 | 2.90 |
| | 45.25 | 44.83 | 43.22 | 41.26 |
| Non-Current Assets | 2.48 | 3.54 | 2.24 | 2.86 |
| TOTAL INVESTMENT | 76.94 | 81.23 | 73.40 | 76.96 |
| INVESTMENT TURNOVER PER $100 OF SALES | 129.97% | 123.11% | 136.24% | 129.94% |
| EARNINGS | | | | |
| Cost of Product | $79.99 | $73.63 | $79.08 | $70.57 |
| Selling Expenses | 7.76 | 7.66 | 8.67 | 9.59 |
| Administrative Expenses | 6.32 | 6.72 | 6.76 | 8.13 |
| | 94.07 | 88.01 | 94.51 | 88.29 |
| Income Before Interest, Other Income, and Taxes | 5.93 | 11.99 | 5.49 | 11.71 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 7.71% | 14.76% | 7.48% | 15.22% |

** Sample insufficient for Profit Leaders.

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** | SALES OVER $160 MILLION** |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| $ 2.89 | $ 6.43 | $ 1.26 | $ 3.37 | $ 0.30 | $ 5.31 |
| 16.79 | 16.54 | 15.09 | 13.90 | 13.46 | 18.35 |
| 8.01 | 6.97 | 8.33 | 7.52 | 10.66 | 7.62 |
| 1.70 | 2.35 | 1.00 | 2.86 | 2.88 | 0.01 |
| 1.96 | 2.51 | 1.96 | 0.60 | 0.89 | 0.49 |
| 31.35 | 34.80 | 27.64 | 28.25 | 28.19 | 31.78 |
| 7.57 | 7.96 | 6.88 | 5.90 | 11.42 | 13.31 |
| 35.41 | 34.75 | 39.45 | 42.38 | 41.74 | 54.11 |
| 2.61 | 1.64 | 1.32 | 1.57 | 2.86 | 2.77 |
| 45.59 | 44.35 | 47.65 | 49.85 | 56.02 | 70.19 |
| 2.76 | 3.21 | 2.41 | 7.26 | 1.30 | 4.86 |
| 79.70 | 82.36 | 77.70 | 85.36 | 85.51 | 106.83 |
| 125.47% | 121.42% | 128.70% | 117.15% | 116.95% | 93.61% |
| $80.38 | $75.01 | $83.51 | $78.94 | $81.62 | $78.31 |
| 7.29 | 6.80 | 5.62 | 4.48 | 4.86 | 5.49 |
| 6.10 | 5.97 | 5.08 | 4.91 | 3.78 | 6.72 |
| 93.77 | 87.78 | 94.21 | 88.33 | 90.26 | 90.52 |
| 6.23 | 12.22 | 5.79 | 11.67 | 9.74 | 9.48 |
| 7.82% | 14.84% | 7.45% | 13.67% | 11.39% | 8.87% |

REPORT ON OPERATIONS - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 44.40 | 39.16 | 47.82 | 41.38 |
| FACTORY EXPENSES | 20.55 | 17.98 | 24.87 | 22.55 |
| TOTAL FACTORY COST OF PRODUCT | 64.95 | 57.14 | 72.69 | 63.93 |
| GROSS PROFIT | 35.05 | 42.86 | 27.31 | 36.07 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 10.65 | 10.12 | 9.37 | 8.38 |
| Selling expenses | 14.24 | 13.10 | 7.15 | 6.07 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 24.89 | 23.22 | 16.52 | 14.45 |
| INCOME BEFORE INTEREST EXPENSE | 10.16 | 19.64 | 10.79 | 21.62 |
| Interest expense | 3.35 | 2.34 | 4.07 | 2.21 |
| OPERATING INCOME (LOSS) | 6.81 | 17.30 | 6.72 | 19.41 |
| Other income | 0.75 | 1.06 | 1.19 | 1.14 |
| INCOME BEFORE INCOME TAXES | 7.56 | 18.36 | 7.91 | 20.55 |

** Sample insufficient for Profit Leaders.

| BOOK | | DIRECTORY** | NO PREDOMINANT PRODUCT** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| X | X | X | X |
| X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% |
| 45.02 | 42.93 | 33.50 | 52.21 |
| 19.46 | 18.63 | 15.04 | 24.59 |
| 64.48 | 61.56 | 48.54 | 76.80 |
| 35.52 | 38.44 | 51.46 | 23.20 |
| 12.82 | 11.67 | 20.13 | 11.85 |
| 12.43 | 10.40 | 16.10 | 10.35 |
| 25.25 | 22.07 | 36.23 | 22.20 |
| 10.27 | 16.37 | 15.23 | 1.00 |
| 2.54 | 1.47 | 2.38 | 2.46 |
| 7.73 | 14.90 | 12.85 | (1.46) |
| 1.86 | 2.11 | 2.83 | 1.93 |
| 9.59 | 17.01 | 15.68 | 0.47 |

SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.98% | 3.23% | 2.91% | 2.63% |
| Direct wages | 28.45 | 24.21 | 29.47 | 23.98 |
| General factory salaries and wages | 4.16 | 3.54 | 5.99 | 6.09 |
| Packing, shipping and delivery wages | 1.70 | 1.63 | 1.17 | 0.66 |
| Payroll taxes | 2.69 | 2.23 | 2.85 | 2.93 |
| Employee benefits | 4.42 | 4.32 | 5.43 | 5.09 |
| TOTAL FACTORY PAYROLL | 44.40 | 39.16 | 47.82 | 41.38 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.42 | 0.38 | 0.55 | 0.56 |
| Depreciation - other | 5.49 | 4.87 | 6.89 | 7.07 |
| Taxes - real estate | 0.41 | 0.35 | 0.34 | 0.20 |
| Taxes - other | 0.33 | 0.24 | 0.27 | 0.18 |
| Insurance | 0.55 | 0.48 | 0.49 | 0.30 |
| Building rent | 1.41 | 1.32 | 0.81 | 0.40 |
| Utilities - heat, light, etc. | 2.28 | 2.06 | 3.08 | 2.52 |
| Equipment rental | 0.88 | 0.54 | 1.23 | 0.20 |
| Total Fixed Expenses | 11.77 | 10.24 | 13.66 | 11.43 |
| Other Expenses | | | | |
| Factory supplies and expense | 3.41 | 3.01 | 4.88 | 4.43 |
| Packing, shipping and delivery expense | 1.56 | 1.51 | 1.85 | 2.63 |
| Repairs and maintenance | 2.60 | 2.06 | 2.57 | 1.80 |
| Other factory expenses | 1.21 | 1.16 | 1.91 | 2.26 |
| Total Other Expenses | 8.78 | 7.74 | 11.21 | 11.12 |
| TOTAL FACTORY EXPENSES | 20.55 | 17.98 | 24.87 | 22.55 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 2.59 | 2.91 | 1.78 | 1.91 |
| Salaries - office | 2.55 | 2.27 | 2.35 | 2.32 |
| Payroll taxes | 0.32 | 0.27 | 0.29 | 0.32 |
| Employee benefits | 0.66 | 0.70 | 0.80 | 1.01 |
| Bad debts | 0.61 | 0.54 | 0.81 | 0.56 |
| Office supplies and expenses | 0.51 | 0.33 | 0.53 | 0.56 |
| Professional fees | 0.79 | 0.84 | 0.67 | 0.48 |
| Taxes - business | 0.11 | 0.07 | 0.07 | 0.06 |
| Telephone | 0.55 | 0.45 | 0.49 | 0.43 |
| Other administrative expenses | 1.96 | 1.74 | 1.58 | 0.73 |
| TOTAL ADMINISTRATIVE EXPENSES | 10.65 | 10.12 | 9.37 | 8.38 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.39 | 1.22 | 0.64 | 0.49 |
| Salaries and commissions - salesmen | 7.50 | 6.88 | 2.06 | 1.48 |
| Salaries - sales office clerical | 1.27 | 1.27 | 1.48 | 1.28 |
| Payroll taxes | 0.50 | 0.43 | 0.24 | 0.21 |
| Employee benefits | 0.58 | 0.49 | 0.46 | 0.32 |
| Advertising | 0.53 | 0.31 | 0.35 | 0.24 |
| Travel and entertainment | 1.18 | 1.06 | 0.82 | 0.65 |
| Other selling expenses | 1.29 | 1.44 | 1.10 | 1.40 |
| TOTAL SELLING EXPENSES | 14.24 | 13.10 | 7.15 | 6.07 |

** Sample insufficient for Profit Leaders.

| BOOK | | DIRECTORY** | NO PREDOMINANT PRODUCT** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 3.67% | 3.64% | 2.47% | 3.29% |
| 25.71 | 22.72 | 20.75 | 32.30 |
| 6.83 | 7.36 | 4.05 | 4.01 |
| 1.43 | 1.51 | 0.70 | 1.39 |
| 3.16 | 2.61 | 1.74 | 3.69 |
| 4.22 | 5.09 | 3.79 | 7.53 |
| 45.02 | 42.93 | 33.50 | 52.21 |
| 0.91 | 0.55 | 0.31 | 0.28 |
| 3.57 | 3.92 | 3.80 | 4.42 |
| 0.32 | 0.29 | 0.50 | 0.15 |
| 0.40 | 0.68 | 0.25 | 0.43 |
| 0.54 | 0.58 | 0.22 | 0.47 |
| 0.68 | 0.25 | 0.59 | 1.00 |
| 2.15 | 2.12 | 1.79 | 2.26 |
| 0.29 | 0.34 | 0.23 | 0.64 |
| 8.86 | 8.73 | 7.69 | 9.65 |
| 5.45 | 5.54 | 2.54 | 6.61 |
| 1.29 | 1.26 | 1.42 | 4.47 |
| 2.71 | 1.81 | 2.96 | 2.19 |
| 1.15 | 1.29 | 0.43 | 1.67 |
| 10.60 | 9.90 | 7.35 | 14.94 |
| 19.46 | 18.63 | 15.04 | 24.59 |
| 2.07 | 2.49 | 5.83 | 1.71 |
| 3.30 | 2.54 | 3.72 | 2.84 |
| 0.40 | 0.35 | 0.63 | 0.34 |
| 0.95 | 1.30 | 1.34 | 0.88 |
| 0.54 | 0.52 | 1.57 | 0.56 |
| 0.55 | 0.27 | 0.41 | 0.53 |
| 0.85 | 0.57 | 1.80 | 0.63 |
| 0.62 | 0.62 | 0.23 | 0.09 |
| 0.39 | 0.34 | 0.43 | 0.66 |
| 3.15 | 2.67 | 4.17 | 3.61 |
| 12.82 | 11.67 | 20.13 | 11.85 |
| 1.44 | 1.20 | 2.85 | 0.70 |
| 4.86 | 3.59 | 9.46 | 2.92 |
| 1.96 | 1.74 | 1.03 | 3.06 |
| 0.46 | 0.35 | 0.85 | 0.47 |
| 0.57 | 0.69 | 0.17 | 0.86 |
| 0.28 | 0.19 | 0.37 | 0.35 |
| 0.91 | 0.98 | 0.51 | 0.97 |
| 1.95 | 1.66 | 0.86 | 1.02 |
| 12.43 | 10.40 | 16.10 | 10.35 |

REPORT ON OPERATIONS - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIALS | | | | |
| Paper | 28.52 | 25.22 | 30.38 | 25.33 |
| Other chargeable materials | 6.05 | 5.64 | 7.04 | 6.59 |
| Outside services | 8.26 | 6.41 | 4.39 | 5.22 |
| TOTAL MATERIALS | 42.83 | 37.27 | 41.81 | 37.14 |
| FACTORY PAYROLL | 25.26 | 24.32 | 27.62 | 26.30 |
| FACTORY EXPENSES | 11.54 | 11.04 | 14.44 | 14.15 |
| TOTAL FACTORY COST OF PRODUCT | 79.63 | 72.63 | 83.87 | 77.59 |
| GROSS PROFIT | 20.37 | 27.37 | 16.13 | 22.41 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 6.15 | 6.49 | 5.38 | 5.19 |
| Selling expenses | 8.35 | 8.61 | 4.16 | 4.00 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 14.50 | 15.10 | 9.54 | 9.19 |
| INCOME BEFORE INTEREST EXPENSE | 5.87 | 12.27 | 6.59 | 13.22 |
| Interest expense | 1.86 | 1.47 | 2.29 | 1.45 |
| OPERATING INCOME (LOSS) | 4.01 | 10.80 | 4.30 | 11.77 |
| Other income | 0.42 | 0.62 | 0.64 | 0.70 |
| INCOME (LOSS) BEFORE INCOME TAXES | 4.43 | 11.42 | 4.94 | 12.47 |

SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 2.94% | 2.50% | 4.14% | 2.86% |
| Film | 0.99 | 1.22 | 0.86 | 1.23 |
| Plates | 0.93 | 0.86 | 1.02 | 1.20 |
| Other chargeable materials | 1.19 | 1.06 | 1.02 | 1.30 |
| TOTAL OTHER CHARGEABLE MATERIALS | 6.05 | 5.64 | 7.04 | 6.59 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.39 | 0.26 | 0.18 | 0.42 |
| Offset preparation | 1.21 | 0.73 | 1.27 | 1.68 |
| Printing | 1.40 | 0.76 | 0.80 | 0.98 |
| Binding | 2.94 | 2.55 | 1.05 | 0.72 |
| Other outside services | 2.32 | 2.11 | 1.09 | 1.42 |
| TOTAL OUTSIDE SERVICES | 8.26 | 6.41 | 4.39 | 5.22 |

** Sample insufficient for Profit Leaders.

| BOOK | | DIRECTORY** | NO PREDOMINANT PRODUCT** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 100.00% | 100.00% | 100.00% | 100.00% |
| 25.00 | 22.47 | 38.50 | 22.38 |
| 6.65 | 6.87 | 3.60 | 6.14 |
| 5.65 | 8.59 | 9.88 | 14.84 |
| 37.30 | 37.93 | 51.98 | 43.36 |
| 28.28 | 26.75 | 15.59 | 29.58 |
| 12.14 | 11.48 | 6.96 | 13.32 |
| 77.72 | 76.16 | 74.53 | 86.26 |
| 22.28 | 23.84 | 25.47 | 13.74 |
| 7.94 | 7.20 | 10.02 | 6.90 |
| 8.00 | 6.52 | 8.13 | 6.62 |
| 15.94 | 13.72 | 18.15 | 13.52 |
| 6.34 | 10.12 | 7.32 | 0.22 |
| 1.52 | 0.88 | 1.10 | 1.56 |
| 4.82 | 9.24 | 6.22 | (1.34) |
| 1.13 | 1.28 | 1.33 | 1.00 |
| 5.95 | 10.52 | 7.55 | (0.34) |
| 0.98% | 1.38% | 1.95% | 3.60% |
| 1.65 | 1.28 | 0.30 | 0.49 |
| 1.41 | 1.59 | 0.47 | 1.41 |
| 2.61 | 2.62 | 0.88 | 0.64 |
| 6.65 | 6.87 | 3.60 | 6.14 |
| 1.59 | 3.50 | 1.21 | 0.01 |
| 0.34 | 0.30 | 0.03 | 0.28 |
| 0.41 | 0.60 | 3.47 | 14.26 |
| 1.87 | 1.67 | 5.17 | 0.04 |
| 1.44 | 2.52 | 0.00 | 0.25 |
| 5.65 | 8.59 | 9.88 | 14.84 |

SUPPORTING SCHEDULES - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 1.70% | 2.03% | 1.72% | 1.65% |
| Direct wages | 16.19 | 15.08 | 16.95 | 15.32 |
| General factory salaries and wages | 2.37 | 2.15 | 3.41 | 3.79 |
| Packing, shipping and delivery wages | 0.94 | 0.99 | 0.67 | 0.40 |
| Payroll taxes | 1.54 | 1.40 | 1.71 | 1.88 |
| Employee benefits | 2.52 | 2.67 | 3.17 | 3.26 |
| TOTAL FACTORY PAYROLL | 25.26 | 24.32 | 27.62 | 26.30 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.24 | 0.25 | 0.33 | 0.36 |
| Depreciation - other | 3.05 | 2.92 | 4.03 | 4.46 |
| Taxes - real estate | 0.23 | 0.21 | 0.19 | 0.13 |
| Taxes - other | 0.19 | 0.15 | 0.16 | 0.11 |
| Insurance | 0.31 | 0.29 | 0.28 | 0.19 |
| Building rent | 0.81 | 0.82 | 0.46 | 0.29 |
| Utilities - heat, light, etc. | 1.20 | 1.22 | 1.77 | 1.55 |
| Equipment rental | 0.50 | 0.35 | 0.72 | 0.13 |
| Total Fixed Expenses | 6.59 | 6.21 | 7.94 | 7.22 |
| Other Expenses | | | | |
| Factory supplies and expense | 1.95 | 1.90 | 2.86 | 2.82 |
| Packing, shipping and delivery expense | 0.86 | 0.96 | 1.07 | 1.63 |
| Repairs and maintenance | 1.46 | 1.26 | 1.45 | 1.09 |
| Other factory expenses | 0.68 | 0.71 | 1.12 | 1.39 |
| Total Other Expenses | 4.95 | 4.83 | 6.50 | 6.93 |
| TOTAL FACTORY EXPENSES | 11.54 | 11.04 | 14.44 | 14.15 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 1.51 | 1.85 | 1.05 | 1.20 |
| Salaries - office | 1.49 | 1.48 | 1.33 | 1.36 |
| Payroll taxes | 0.18 | 0.17 | 0.17 | 0.19 |
| Employee benefits | 0.38 | 0.45 | 0.47 | 0.63 |
| Bad debts | 0.35 | 0.34 | 0.47 | 0.34 |
| Office supplies and expenses | 0.29 | 0.21 | 0.30 | 0.37 |
| Professional fees | 0.45 | 0.55 | 0.39 | 0.33 |
| Taxes - business | 0.06 | 0.04 | 0.04 | 0.04 |
| Telephone | 0.32 | 0.30 | 0.28 | 0.27 |
| Other administrative expenses | 1.12 | 1.10 | 0.88 | 0.46 |
| TOTAL ADMINISTRATIVE EXPENSES | 6.15 | 6.49 | 5.38 | 5.19 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 0.81 | 0.82 | 0.37 | 0.31 |
| Salaries and commissions - salesmen | 4.41 | 4.34 | 1.17 | 0.94 |
| Salaries - sales office clerical | 0.75 | 0.89 | 0.87 | 0.85 |
| Payroll taxes | 0.30 | 0.30 | 0.14 | 0.14 |
| Employee benefits | 0.35 | 0.33 | 0.27 | 0.22 |
| Advertising | 0.31 | 0.21 | 0.21 | 0.16 |
| Travel and entertainment | 0.68 | 0.73 | 0.46 | 0.42 |
| Other selling expenses | 0.74 | 0.99 | 0.67 | 0.96 |
| TOTAL SELLING EXPENSES | 8.35 | 8.61 | 4.16 | 4.00 |

** Sample insufficient for Profit Leaders.

| BOOK | | DIRECTORY** | NO PREDOMINANT PRODUCT** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 2.33% | 2.30% | 1.16% | 1.88% |
| 16.02 | 14.03 | 9.62 | 18.16 |
| 4.36 | 4.63 | 1.92 | 2.33 |
| 0.86 | 0.91 | 0.32 | 0.84 |
| 2.02 | 1.66 | 0.82 | 2.10 |
| 2.69 | 3.22 | 1.75 | 4.27 |
| 28.28 | 26.75 | 15.59 | 29.58 |
| 0.59 | 0.34 | 0.14 | 0.18 |
| 2.19 | 2.41 | 1.76 | 2.60 |
| 0.20 | 0.19 | 0.23 | 0.09 |
| 0.25 | 0.41 | 0.12 | 0.27 |
| 0.34 | 0.36 | 0.11 | 0.30 |
| 0.36 | 0.12 | 0.29 | 0.42 |
| 1.34 | 1.32 | 0.84 | 1.43 |
| 0.18 | 0.21 | 0.10 | 0.37 |
| 5.45 | 5.36 | 3.59 | 5.66 |
| 3.51 | 3.47 | 1.17 | 3.82 |
| 0.79 | 0.75 | 0.66 | 1.73 |
| 1.69 | 1.12 | 1.35 | 1.14 |
| 0.70 | 0.78 | 0.19 | 0.97 |
| 6.69 | 6.12 | 3.37 | 7.66 |
| 12.14 | 11.48 | 6.96 | 13.32 |
| 1.29 | 1.56 | 2.92 | 1.01 |
| 2.08 | 1.57 | 1.85 | 1.64 |
| 0.25 | 0.22 | 0.31 | 0.20 |
| 0.58 | 0.80 | 0.67 | 0.50 |
| 0.34 | 0.32 | 0.76 | 0.36 |
| 0.34 | 0.17 | 0.20 | 0.31 |
| 0.52 | 0.35 | 0.89 | 0.40 |
| 0.38 | 0.37 | 0.12 | 0.06 |
| 0.25 | 0.21 | 0.21 | 0.40 |
| 1.91 | 1.63 | 2.09 | 2.02 |
| 7.94 | 7.20 | 10.02 | 6.90 |
| 0.88 | 0.73 | 1.44 | 0.44 |
| 3.22 | 2.28 | 4.80 | 1.88 |
| 1.22 | 1.11 | 0.51 | 1.94 |
| 0.30 | 0.22 | 0.43 | 0.30 |
| 0.36 | 0.43 | 0.08 | 0.54 |
| 0.17 | 0.11 | 0.19 | 0.23 |
| 0.57 | 0.61 | 0.25 | 0.63 |
| 1.28 | 1.03 | 0.43 | 0.66 |
| 8.00 | 6.52 | 8.13 | 6.62 |

CHAPTER 2 - BY PRODUCT SPECIALTY

BALANCE SHEET

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 4.29% | 8.06% | 3.46% | 5.96% |
| Receivables | 32.23 | 29.70 | 23.89 | 19.86 |
| Inventories | 13.28 | 11.99 | 12.06 | 11.67 |
| Other current assets | 2.62 | 3.14 | 7.38 | 10.25 |
| TOTAL CURRENT ASSETS | 52.42 | 52.89 | 46.79 | 47.74 |
| FIXED ASSETS | | | | |
| Real estate | 10.90 | 9.01 | 13.12 | 14.24 |
| Less: Accumulated depreciation | 3.08 | 2.25 | 3.83 | 3.22 |
| | 7.82 | 6.76 | 9.29 | 11.02 |
| Machinery and equipment | 62.59 | 59.36 | 72.53 | 62.08 |
| Less: Accumulated depreciation | 29.07 | 25.74 | 34.27 | 30.00 |
| | 33.52 | 33.62 | 38.26 | 32.08 |
| Other fixed assets | 5.53 | 5.82 | 3.38 | 1.59 |
| Less: Accumulated depreciation | 2.79 | 2.88 | 1.86 | 0.90 |
| | 2.74 | 2.94 | 1.52 | 0.69 |
| NET FIXED ASSETS | 44.08 | 43.32 | 49.07 | 43.79 |
| OTHER ASSETS | 3.50 | 3.79 | 4.14 | 8.47 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 9.74 | 5.43 | 9.12 | 4.16 |
| Accounts payable | 14.85 | 11.04 | 13.27 | 6.80 |
| Other current liabilities | 9.25 | 8.41 | 6.43 | 5.29 |
| TOTAL CURRENT LIABILITIES | 33.84 | 24.88 | 28.82 | 16.25 |
| LONG-TERM LIABILITIES | 28.60 | 25.04 | 32.45 | 23.60 |
| TOTAL LIABILITIES | 62.44 | 49.92 | 61.27 | 39.85 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 37.56 | 50.08 | 38.73 | 60.15 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.55 | 2.13 | 1.62 | 2.94 |
| QUICK RATIO | 1.16 | 1.64 | 1.21 | 2.22 |
| TOTAL LIABILITIES TO EQUITY | 1.66 | 1.00 | 1.58 | 0.66 |
| LONG-TERM LIABILITIES TO EQUITY | 0.76 | 0.50 | 0.84 | 0.39 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.46 | 0.43 | 0.47 | 0.48 |

** Sample insufficient for Profit Leaders.

| BOOK | | DIRECTORY** | NO PREDOMINANT PRODUCT** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 2.89% | 4.73% | 14.25% | 5.87% |
| 31.68 | 33.58 | 34.23 | 27.44 |
| 16.23 | 12.63 | 15.57 | 22.72 |
| 3.04 | 1.14 | 2.94 | 6.63 |
| 53.84 | 52.08 | 66.99 | 62.66 |
| 18.92 | 15.82 | 6.16 | 9.11 |
| 5.21 | 4.45 | 2.21 | 3.16 |
| 13.71 | 11.37 | 3.95 | 5.95 |
| 48.01 | 51.07 | 40.82 | 57.50 |
| 23.21 | 22.58 | 16.45 | 29.24 |
| 24.80 | 28.49 | 24.37 | 28.26 |
| 4.02 | 2.50 | 1.69 | 2.20 |
| 2.13 | 1.01 | 0.81 | 1.53 |
| 1.89 | 1.49 | 0.88 | 0.67 |
| 40.40 | 41.35 | 29.20 | 34.88 |
| 5.76 | 6.57 | 3.81 | 2.46 |
| 100.00 | 100.00 | 100.00 | 100.00 |
| 5.98 | 0.94 | 8.23 | 2.58 |
| 10.23 | 11.00 | 12.26 | 13.68 |
| 18.15 | 15.81 | 27.06 | 15.37 |
| 34.36 | 27.75 | 47.55 | 31.63 |
| 28.26 | 25.96 | 20.97 | 23.64 |
| 62.62 | 53.71 | 68.52 | 55.27 |
| 37.38 | 46.29 | 31.48 | 44.73 |
| 100.00 | 100.00 | 100.00 | 100.00 |
| 1.57 | 1.88 | 1.41 | 1.98 |
| 1.09 | 1.42 | 1.08 | 1.26 |
| 1.68 | 1.16 | 2.18 | 1.24 |
| 0.76 | 0.56 | 0.67 | 0.53 |
| 0.48 | 0.44 | 0.40 | 0.51 |

SIGNIFICANT FACTS

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 60,819 | $ 64,682 | $ 58,820 | $ 62,677 |
| Average assets per factory employee (Excluding Executives) | 79,800 | 85,008 | 69,975 | 73,606 |
| Average net worth per employee - All employees | 23,000 | 32,478 | 23,706 | 40,239 |
| Average gross plant investment per factory employee (Excluding Executives) | 61,466 | 62,741 | 58,576 | 52,610 |
| Net worth percentage of fixed assets | 95.75% | 130.24% | 104.78% | 172.72% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 80.62% | 80.79% | 87.23% | 89.11% |
| Percent administrative - All employees | 8.56 | 8.23 | 7.12 | 6.76 |
| Percent sales - All employees | 10.82 | 10.98 | 5.65 | 4.13 |
| SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 107,687 | $ 107,964 | $ 87,579 | $ 85,985 |
| Sales per factory employee | 134,790 | 135,748 | 100,809 | 96,968 |
| Sales less material per factory employee | 75,493 | 83,597 | 56,743 | 58,205 |
| Sales per administrative employee | 1,470,327 | 1,537,926 | 1,342,529 | 1,343,603 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 114,839 | 114,969 | 92,441 | 90,845 |
| Sales per factory employee | 141,687 | 143,111 | 104,854 | 101,189 |
| Sales less material per factory employee | 79,402 | 88,347 | 59,091 | 60,676 |
| SALES PER SALESMAN | 1,391,761 | 1,485,324 | 3,489,489 | 4,041,300 |
| SALES TO CURRENT ASSETS | 388% | 356% | 369% | 321% |
| PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 35.44% | 34.95% | 33.46% | 32.14% |
| Factory payroll percentage of gross plant investment | 65.72 | 57.76 | 52.93 | 50.41 |
| Payroll per employee - All employees | $ 36,636 | $ 36,240 | $ 28,421 | $ 26,232 |
| Payroll per factory employee | 32,419 | 31,305 | 26,964 | 24,034 |
| Payroll per administrative employee | 43,515 | 51,667 | 37,926 | 43,556 |
| Payroll per sales employee | 66,978 | 69,211 | 44,997 | 43,270 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 28,748 | $ 27,713 | $ 22,020 | $ 19,581 |
| Payroll per factory employee | 26,223 | 24,704 | 21,513 | 18,647 |
| Payroll per administrative employee | 20,946 | 21,272 | 20,237 | 21,701 |
| Payroll per sales employee | 56,538 | 58,707 | 35,114 | 31,182 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 79,855 | 97,646 | 54,341 | 51,777 |
| Payroll per factory executive | 55,241 | 63,878 | 49,011 | 38,709 |
| Payroll per administrative executive | 106,517 | 127,728 | 74,539 | 85,069 |
| Payroll per sales executive | 88,086 | 85,017 | 65,916 | 68,148 |
| RECEIVABLES | | | | |
| Collection period | 64.0 | 66.6 | 56.2 | 51.8 |
| PROFIT | | | | |
| Gross profit percentage of sales | 20.37% | 27.37% | 16.13% | 22.41% |
| Average gross profit per factory employee | $ 29,122 | $ 39,636 | $ 16,276 | $ 21,847 |
| Income (loss) before taxes percentage of sales | 4.43% | 11.42% | 4.94% | 12.47% |
| Average income (loss) before taxes per employee | $ 4,878 | $ 12,302 | $ 4,365 | $ 10,813 |

** Sample insufficient for Profit Leaders.

| BOOK | | DIRECTORY** | NO PREDOMINANT PRODUCT** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| $ 40,319 | $ 47,856 | $ 49,678 | $ 54,125 |
| 51,794 | 60,772 | 230,319 | 70,893 |
| 14,861 | 21,312 | 16,118 | 24,812 |
| 35,828 | 41,646 | 68,320 | 46,733 |
| 94.73% | 118.04% | 155.93% | 208.96% |
| 83.13% | 83.96% | 62.26% | 81.60% |
| 8.06 | 7.91 | 15.62 | 9.04 |
| 8.81 | 8.13 | 22.12 | 9.36 |
| $ 71,540 | $ 81,725 | $ 120,263 | $ 97,758 |
| 86,358 | 97,304 | 536,159 | 118,905 |
| 53,454 | 60,307 | 271,186 | 63,046 |
| 1,001,293 | 1,242,064 | 1,227,913 | 1,172,554 |
| 77,517 | 89,222 | 132,866 | 105,285 |
| 92,317 | 104,392 | 541,888 | 126,090 |
| 57,247 | 64,805 | 273,881 | 66,853 |
| 1,890,535 | 2,017,747 | 1,769,955 | 1,506,735 |
| 343% | 345% | 384% | 300% |
| 38.46% | 35.66% | 28.61% | 38.05% |
| 75.25 | 70.90 | 101.96 | 80.97 |
| $ 26,485 | $ 28,859 | $ 34,786 | $ 33,313 |
| 23,368 | 25,784 | 27,643 | 32,366 |
| 40,637 | 50,193 | 42,089 | 32,815 |
| 46,700 | 47,060 | 42,162 | 34,112 |
| $ 20,403 | $ 21,480 | $ 25,323 | $ 25,132 |
| 18,624 | 20,174 | 23,416 | 24,895 |
| 20,624 | 19,452 | 19,488 | 19,261 |
| 37,137 | 36,675 | 33,540 | 26,650 |
| 47,625 | 45,294 | 69,455 | 50,098 |
| 31,146 | 33,514 | 22,677 | 38,809 |
| 68,295 | 73,773 | 92,325 | 60,129 |
| 77,230 | 77,210 | 78,126 | 61,202 |
| 67.7 | 72.9 | 55.2 | 59.5 |
| 22.28% | 23.84% | 25.47% | 13.74% |
| $ 21,147 | $ 25,075 | $ 231,027 | $ 15,982 |
| 5.95% | 10.52% | 7.55% | (0.34)% |
| $ 4,779 | $ 8,803 | $ 9,146 | $ (557) |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 2.75 | $ 5.55 | $ 2.21 | $ 3.95 |
| Receivables | 17.05 | 17.83 | 14.71 | 13.75 |
| Inventories | 7.08 | 7.08 | 7.73 | 8.43 |
| Marketable securities | 0.82 | 0.67 | 2.20 | 5.14 |
| Other current assets | 0.79 | 1.21 | 3.20 | 3.18 |
| | 28.49 | 32.34 | 30.05 | 34.45 |
| Plant Investment: | | | | |
| Land and building | 6.57 | 5.29 | 8.50 | 9.68 |
| Machinery and equipment | 34.35 | 35.06 | 47.15 | 43.45 |
| Other fixed assets | 2.83 | 3.26 | 2.05 | 0.99 |
| | 43.75 | 43.61 | 57.70 | 54.12 |
| Non-Current Assets | 2.31 | 2.29 | 3.06 | 6.56 |
| TOTAL INVESTMENT | 74.55 | 78.24 | 90.81 | 95.13 |
| INVESTMENT TURNOVER PER $100 OF SALES | 134.14% | 127.81% | 110.12% | 105.12% |
| EARNINGS | | | | |
| Cost of Product | $79.63 | $72.63 | $83.87 | $77.59 |
| Selling Expenses | 8.35 | 8.61 | 4.16 | 4.00 |
| Administrative Expenses | 6.15 | 6.49 | 5.38 | 5.19 |
| | 94.13 | 87.73 | 93.41 | 86.78 |
| Income Before Interest, Other Income, and Taxes | 5.87 | 12.27 | 6.59 | 13.22 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 7.87% | 15.68% | 7.26% | 13.90% |

** Sample insufficient for Profit Leaders.

| | BOOK | | DIRECTORY** | NO PREDOMINANT PRODUCT** |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| | $ 1.68 | $ 2.85 | $ 5.84 | $ 3.44 |
| | 17.31 | 18.68 | 14.24 | 15.74 |
| | 9.03 | 7.12 | 6.30 | 12.32 |
| | 0.02 | 0.00 | 0.00 | 1.52 |
| | 1.75 | 0.71 | 1.11 | 2.37 |
| | 29.79 | 29.36 | 27.49 | 35.39 |
| | 10.66 | 9.03 | 2.66 | 6.18 |
| | 26.78 | 30.45 | 17.09 | 34.40 |
| | 2.13 | 1.38 | 0.72 | 1.56 |
| | 39.57 | 40.86 | 20.47 | 42.14 |
| | 3.71 | 4.64 | 1.50 | 1.68 |
| | 73.07 | 74.86 | 49.46 | 79.21 |
| | 136.86% | 133.58% | 202.18% | 126.25% |
| | $77.72 | $76.16 | $74.53 | $86.26 |
| | 8.00 | 6.52 | 8.13 | 6.62 |
| | 7.94 | 7.20 | 10.02 | 6.90 |
| | 93.66 | 89.88 | 92.68 | 99.78 |
| | 6.34 | 10.12 | 7.32 | 0.22 |
| | 8.68% | 13.52% | 14.80% | 0.28% |

## ABSOLUTE DATA

| | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME (LOSS) |
|---|---|---|---|---|
| TOTAL - ALL FIRMS | 145 | $ 17,638,000 | $ 28,410,000 | $ 1,487,000 |
| TOTAL - PROFIT LEADERS* | 35 | 20,719,000 | 32,502,000 | 3,806,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| $10,000,000-$20,000,000 | 74 | 7,904,000 | 14,371,000 | 548,000 |
| $20,000,000-$40,000,000 | 52 | 16,739,000 | 27,838,000 | 1,414,000 |
| $40,000,000-$80,000,000 | 14 | 28,455,000 | 51,120,000 | 2,618,000 |
| $80,000,000-$160,000,000 | 2 | 86,140,000 | 125,873,000 | 9,791,000 |
| OVER $160,000,000 | 3 | 177,176,000 | 213,675,000 | 15,134,000 |
| PROFIT LEADERS | | | | |
| $10,000,000-$20,000,000 | 15 | 8,547,000 | 14,087,000 | 1,472,000 |
| $20,000,000-$40,000,000 | 15 | 16,262,000 | 25,560,000 | 3,210,000 |
| $40,000,000-$80,000,000 | 3 | 25,832,000 | 42,609,000 | 4,877,000 |
| BY PRODUCT SPECIALTY | | | | |
| ALL FIRMS | | | | |
| Commercial and Advertising | 93 | 14,060,000 | 23,962,000 | 1,116,000 |
| Magazine and Periodical | 22 | 38,544,000 | 53,253,000 | 3,649,000 |
| Book | 13 | 10,214,000 | 17,979,000 | 1,090,000 |
| Directory | 3 | 10,989,000 | 25,970,000 | 1,820,000 |
| No Predominant Product | 5 | 15,519,000 | 27,337,000 | (28,000) |
| PROFIT LEADERS | | | | |
| Commercial and Advertising | 17 | 14,410,000 | 23,719,000 | 2,743,000 |
| Magazine and Periodical | 8 | 47,155,000 | 69,710,000 | 8,389,000 |
| Book | 6 | 10,573,000 | 18,910,000 | 1,910,000 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 35.

## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| | | | % of Sales | |
|---|---|---|---|---|
| Firm | Sales | Factory Payroll | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |
| | | | 62.2% divided by 3 = | 20.7% |